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TAGS: [PREL](#) [PGOV](#) [NZ](#)

SUBJECT: PM CLARK GOES TO WASHINGTON

Classified By: Charge D'Affaires David J. Keegan,
for reasons 1.4 (b) and (d)

¶1. (C) Summary: Prime Minister Clark has announced to New Zealanders that she will use her March 20-21 visit to Washington to discuss key regional and world events with the President and other Senior Officials. In reality, she has a broader agenda as well: to improve the tone of her dialogue with us and to send a message to the NZ electorate that cooperating with the U.S. is normal and advances New Zealand's interests. Now in her third term in office, Clark has over the years developed a deeper understanding of the breadth and benefits of the US-New Zealand relationship. She recognizes that sound bites matter, and in response has begun to modulate her public statements to be more positive about the relationship. She also strenuously avoids saying anything critical about U.S. policy. Although a strengthened centrist domestic political opposition may motivate Clark to be more open to us, most of her efforts to improve bilateral cooperation have not been made public, indicating genuine commitment. Over the past year, she has quietly filled a number of key positions with officials who are well disposed towards the United States, and she and her Ministers now treat official meetings with us as opportunities to advance common agendas rather than either public relations coups or something to deny. The PM closely monitors and supports the "Matrix" process as well as deeper US-NZ cooperation in intelligence and other issues. She particularly appreciates our cooperation in the Pacific and Antarctica. End Summary.

¶2. (C) A micro-manager, Clark will come to Washington extremely well briefed on the issues. She will likely suggest small but concrete ways to cooperate within the boundaries of the Presidential Directive, such as by regularizing our dialogue on scientific and Pacific Island issues. She will probably announce that New Zealand will extend its military deployments in Afghanistan through September 2009. Clark will not seek any dramatic changes to bilateral policy, which she recognizes would be more than either side's system could bear. Nor will she make a heavy pitch for an FTA as she did during her 2002 visit, instead leaving that for Trade Minister Goff's trip to Washington later this year.

¶3. (C) We should use this visit to urge continued tangible

commitments to the improving bilateral cooperation and NZ's defense modernization. We should also elicit a greater willingness to publicize our successes where possible. Clark will be setting the pace for improving U.S.-New Zealand relations for the foreseeable future. This visit provides us an opportunity to encourage her to stay the course and to resist negative pressures from those in her party who prefer to keep us at arm's length.

MOVING UP THE LEARNING CURVE: WE MATTER

¶4. (C) With over seven years in office, Clark is now the longest serving Labour Prime Minister in New Zealand history. Although she has no clear successor and may run for an unprecedented fourth term, she is clearly already focused on her legacy. Arriving in office well to the left of the political spectrum, Clark began her tenure by stressing New Zealand's role as a small but principled player favoring multilateral (ideally UN-based) solutions to the world's problems. Since then, she has witnessed such events as 9/11, cooperation between NZDF and US troops in Afghanistan, and shortcomings of the UN system (such as its inability to react to the 2005 Tsunami). As a result, she has over time focused more on New Zealand's role in the Pacific region and its relations with Australia and other bilateral allies.

¶5. (C) Through learning on the job, Clark has clearly developed a more sophisticated understanding of the breadth and importance of the US-New Zealand relationship. Her desire to improve relations with the Administration may be due in part to the influence of Foreign Minister Winston

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Peters, but we see evidence that Clark herself wants to improve US-New Zealand ties. Contacts tell us she has especially valued our close cooperation following the coup in Fiji, and during her recent meetings with PM Howard she praised EAP DAS Davies' trip to the Solomons. The Ambassador reports that Clark is obviously impressed by our dedication to environmental protection and generous support for New Zealand activities in Antarctica, which she witnessed first hand during this year's celebrations of US-NZ cooperation on the ice.

¶6. (C/NF) Recognizing that her Government had initially resisted improving the U.S. relationship, Clark has since the 2005 election appointed to key positions a number of officials well disposed towards working with the United States. In addition to Foreign Minister Winston Peters (arguably a marriage of convenience), she has appointed Warren Tucker as Director of the NZ Security Intelligence Service (NZSIS), Bruce Ferguson as Director of the Government Communications Security Bureau (GCSB), Roy Ferguson as NZ Ambassador to Washington; and John McKinnon as Secretary of Defence. Together with Peters and Simon Murdoch, second in command at the Ministry of Foreign Affairs, these officials have improved their agencies' coordination on U.S. policy and instructed staff to be helpful to us wherever possible. For example, NZSIS had for months resisted housing equipment needed to implement a possible HSPD-6 agreement with the United States. Soon after his arrival, Tucker ordered NZSIS to be the host, paving the way for negotiations.

¶7. (C) Clark has been more mindful of the public side of our relationship as well. She participated in the Embassy's 4 July reception even though she never attends national day events. She was also gracious guest at a media-covered reception at the Ambassador's residence last May in honor of her favorite Kiwi composer. Mindful that her 2003 remarks about the Iraq war have not been forgotten, Clark now slaps down her Cabinet Ministers for similar offenses. When on January 12 Duty Minister Jim Anderton issued a blistering critique of the President's plan to send more troops to Iraq,

Clark quickly disavowed the comments and removed Anderton from duty within the day. She was roundly criticized in the media for her actions, but did not budge. After confirming her visit to Washington on March 1, a reporter asked what Clark would say if the President asked her views on the war. Clark merely said she doubted that would happen, adding that New Zealand is not in Iraq and it would be "gratuitous to offer any advice."

CLARK REALLY DOES WANT CLOSER TIES

¶ 8. (C) Some observers claim Clark only wants to mend fences with the United States to wrest center ground from the opposition National Party, which is gaining in the polls. We doubt this is her main motive. For one thing, polling suggests up to half of all Kiwis believe New Zealand does not need a closer relationship with the United States, and the anti-American sentiment in the left side of her own caucus is well known. Although Labour is losing ground in opinion polls, Clark is far from being in such crisis that she needs to change her foreign policy to get votes. New National leader John Key is charming and confident, but has been in Parliament for only five years and his practical agenda remains fuzzy. In contrast, while many Kiwis consider Clark cold and some question her integrity, we have yet to meet any who regard her as anything less than competent. The majority seem proud of the way she has helped forge a new, modern identity for the country: clean, green, multicultural, multilateral, creative, and yes -- nuclear free. Nor is there a chance of the type of leadership putsch within Labour that has plagued National in recent years.

WE BENEFIT FROM STRONGER COOPERATION, TOO

¶ 9. (C) New Zealand is small, but concrete improvements in
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bilateral cooperation over the past year, including via the "Matrix" process initiated in Bangkok last year, have brought tangible, positive gains for U.S. interests. We continue to cooperate closely on events in Fiji and have come to value the views of Kiwi officials regarding events in E.Timor, the Solomon Islands, and Tonga. We are increasing behind-the-scenes dialogue on N.Korea and Iran, both of which have diplomatic relations with New Zealand. The "Matrix" process has also been helpful in enabling both sides to stay joined up in response to other events, such as ensuring that the recent fire on board a Japanese whaling vessel in Antarctic waters would not lead to an environmental disaster.

¶ 10. (S/NF) Improvements on the defense and intelligence side have also borne fruit. As Minister in Charge of the NZSIS and GCSB, Clark is read into all major operations involving U.S. intelligence. She understands the implications of a post-9/11 world for New Zealand's security. She also realized after the Fiji coup that New Zealand had become too reliant on Australian intelligence. Clark grasps that NZ must "give to get" and that some of our cooperative operations -- such as monitoring radicalizing Kiwi jihadists -- strengthen her country's security. But she also has been willing to address targets of marginal benefit to New Zealand that could do her political harm if made public. Over the past year, she has supported increased counterterrorism cooperation with us.

¶ 11. (C/NF) While the Presidential Directive still limits our defense relationship, New Zealand's push since 2004 to modernize its forces have improved our ability to work together in those areas in which we can cooperate. In support of NZ military activities in the Pacific Islands, Timor Leste, Afghanistan, and elsewhere, there have been more

high-level U.S. military visits to New Zealand over the past 6 months than in the previous two years. This March alone, there will be visits by two Admirals for maritime security consultations with New Zealand, France, and the UK, as well as a yearly call by PACAF Commander General Hester. There have been more U.S. military waivers for multilateral exercises including the NZDF as well. Unlike in the past, the PM and her Government have focused on the substance behind these visits and exercises instead of touting them to the press as a sign that NZ's nuclear ban no longer matters to the United States. New Zealand continues to be an active participant in the Proliferation Security Initiative, has helped explain the importance of this effort to Pacific Island states, and will for the first time host an Operational Experts Group Meeting in Auckland March 26-28.

Key Issues

¶12. (C/NF) Regional/Global Security: In her public statements announcing the visit, Clark has said that she hopes to discuss with senior US officials common interests in counter-terrorism/Afghanistan; regional security and good governance in the PICs and E.Timor; and DPRK, Iran and other nonproliferation issues. Although she told a journalist that Iraq is unlikely to come up, MFAT staff tells us that she knows that this is a major issue on the mind of the Administration. They also say she is likely to raise concerns over China's role in the Asia Pacific region. Clark will likely announce during her visit that New Zealand will extend its deployments to Afghanistan through September 2009, the longest extension since the Afghan war began. She may also propose that both sides agree to regular consultations on Pacific Island issues. We agree this could send a positive public signal about our joint work in the region, although in reality fast moving events make it a certainty that we will continue to communicate in real time as well. We would also have to ensure that the search for agenda items and "deliverables" did not overwhelm our constructive dialogue.

¶13. (S/NF) Intelligence: Although it will be obviously impossible to publicly highlight the exact nature of NZ's

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intelligence cooperation during Clark's visit, she undoubtedly would appreciate having it acknowledged behind closed doors. We should also encourage New Zealand to agree to some public recognition of the HSPD-6 MOU that we understand will be signed during the visit. A public signing ceremony the Embassy hosted when we concluded the US-NZ Regional Alert Movement agreement received positive press play here, which indicates that not all intelligence cooperation issues are tabu to Kiwis.

¶14. (C) Environment and other issues: Since the Antarctic celebrations in January, Clark has become more aware of the close level of cooperation between US and NZ scientists both on and off the ice. She may propose new areas for cooperation in Antarctica and suggest both sides review the US-NZ Science and Technology Agreement to consider possible new joint research efforts. GNZ officials were struck by parallel references to climate change and sustainable energy in both the President's and PM's opening statements to their legislature this year, and Clark may raise this as well. She may also propose cooperation on efforts towards sustainable fisheries. Clark will almost certainly acknowledge U.S. leadership in WTO Doha negotiations.

¶15. (C) The Public message: Clark will deliver three speeches while in the United States. Unlike her speech there in 2002 on New Zealand's desire for an FTA, Clark's address in Washington will present a more positive focus on overall US-NZ relations. This reflects both her understanding that an FTA is not possible for now and her desire to speak to the

broader relationship. Clark will deliver a second speech in Chicago covering WTO and economic issues (including a soft FTA pitch) and a third in Seattle on innovation in New Zealand.

COMMENT

¶16. (C) PM Clark will continue to set the course for improved US-NZ relations. It is clear there will be no change in New Zealand's anti-nuclear policy in the medium term; even the new opposition leader John Key has announced that the National Party wants to maintain the ban. National also continues to be vulnerable to accusations of being too close to the United States, which cost it significant support at the 2005 election. If elected in 2008, the Nats will have more political room to work with us if they can build on progress made under this Government towards better US-NZ ties. A re-elected Labour Government will do the same. This visit provides a chance to encourage Clark to set the bar high. We may have setbacks along the way, but the better our mutual understanding of what each side can expect from each other, the less likely that these hiccups will undermine our progress. End Comment.

Keegan